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STATE TREASURER'S OFFICE ANNOUNCES STRONG SALE RESULTS

BOSTON, MA, November 23, 2010 – The State Treasurer's Office announced today that it has successfully completed the sale of \$350 million in bonds. The bonds, sold as taxable Build America Bonds, are secured by the Commonwealth's full faith and credit pledge. The competitive sale resulted in a net borrowing rate for the bonds of 2.55%, with final maturity of the bonds scheduled in 2021.

"By using the BABs program and selling into the larger taxable market, we were able to reduce the state's borrowing costs by tens of millions of dollars versus selling tax-exempt bonds," said Massachusetts State Treasurer Tim Cahill. "Although the Build America Bond program is relatively new, it's become an incredibly important tool for issuers. This program allows us to borrow very efficiently in the larger, more liquid taxable market. The end-winner is taxpayers, who get the benefit of public infrastructure financed at the lowest possible rates."

The sale represents the Commonwealth's fourth sale of Build America Bonds (BABs). The BABs program was authorized as part of the federal stimulus act and is scheduled to expire on December 31, 2010. Under the program, issuers like the Commonwealth borrow by selling taxable bonds instead of traditional tax exempt bonds. As part of the program, issuers receive an interest rate subsidy from the U.S. Treasury equal to 35% of the interest costs on the BABs. Based on a comparison of where tax exempt borrowing rates are currently versus the BABs borrowing rates, the Commonwealth's interest costs over the life of the bonds have been reduced by an estimated 50 to 70 basis points (100 basis points is equal to 1%). That translates into reduced interest costs of an estimated \$20 million over the life of the bonds.

The Commonwealth's general obligation bond ratings remains 'AA+', 'Aa1' and 'AA' from Fitch Ratings, Moody's Investor Services, and Standard & Poor's, respectively. For more information on the Commonwealth's borrowing programs, please visit www.mass.gov/treasury/debt.

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